

**MINUTES
MEAD PUBLIC LIBRARY
FINANCE COMMITTEE MEETING
Thursday, April 24, 2014**

The meeting of the Mead Public Library (MPL) Board Finance Committee was held on Thursday, April 24, 2014 in the Library Board Room. Present Committee Members: Dirk Zylman, presiding; Mrs. Johnson, Mrs. Quinn, Mr. Nelson, Mr. Carlson, Mr. Sampson. Staff Members Present: Mr. Erickson and Mrs. DeAmico. Others present; Mr. James Amodeo, City of Sheboygan Chief Administrative Officer, Kathie Norman, MPL Board/Foundation Member

Absent: None

1. The meeting was called to order at 2:00 p.m. by Zylman.
2. Zylman determined there was a Quorum present.
3. Carlson **moved** to approve the Finance Committee minutes of March 20, 2014. **Seconded** by Quinn. The motion **passed**.
4. Review, discussion and possible action on "Agreement Regarding Investment of 850 Funds with Mead Public Library." Zylman handed out a document "Mead Library reserve Funds Management", "A Proposal", dated April 24, 2014 for the finance committee to review and discuss. Zylman gave the committee a brief statement of his qualifications in regards to investments. Zylman stated the proposal is his approach to what he felt would be a sound investment plan for the 850 funds. Zylman explained to the committee that he estimated the management fees at 60 to 80 basis points annually and that was a fair amount to pay H.C. Denison. Zylman explained you can get funds at a cheaper rate such as Vanguard Funds at only 10 Basis points which could total around \$1,000, however Zylman said he would be okay with the Amerifunds, and the 60 to 80 basis points on the management fees. Johnson asked if the all of the funds were going to be transferred at one time. Zylman responded they would not be moving all of the funds at once if his written proposal was selected. Johnson asked if the 850 funds would have a restriction on them, and if they would be invested separately from the other funds. Zylman stated that restricting the funds would be a different issue and discussion for a later time, and this should be addressed at a later meeting. Johnson stated she would not support a motion to move the funds without restrictions being placed on the funds. Quinn stated she is very pleased with the document that Zylman put together and thanked him for doing the research and preparing the document for the finance committee and Board of Trustee members to review. A motion was made to that the MPL finance committee recommend to the MPL Board of Trustees to move the 850 Funds from the Local Government Investment Pool, Department of Administration to the Mead Public Library Foundation for investment of these funds, and to accept the "Mead Library reserve Funds Management – A Proposal" as the investment funding document that Zylman drafted. Carlson **moved** to accept the motion to move the funds to the Mead Public Library Foundation for investment and H.C. Denison as the investment manager, Quinn **seconded** there were five (5) yes and one (1) opposed by Johnson, **motion carried**.
5. Introduction of the 2015 Budget. Erickson presented the 2015 budget. Erickson mentioned the 2015 budget is in the format of three teams vs. the five teams in the past budgets. Erickson went through the Narrative & Impact statement with the finance committee. Erickson explained that he and DeAmico had a meeting with Buss & Amodeo at City Hall in regards to the 2015 budget and asked for feedback from them. Erickson stated that both Buss and Amodeo gave some very positive feedback in regards to the

2015 budget that was presented to them to look over. Zylman stated a concern on the Eastern Shores revenue amounts listed on the 2015 Budget. Both Erickson and DeAmico explained that the figure was ran past Mr. Dave Weinhold, ESLS Executive Director, and he thought the calculation that DeAmico calculated was low. Mr. Weinhold sent DeAmico the calculation and that is the figure that DeAmico used for the 2015 budgeted amount in this category. Zylman stated he is concerned because ESLS has never used the CPI index vs. our statistics before, but stated that DeAmico should use the figure that was emailed to her and she should make sure to keep a copy of the email with the amounts Weinhold gave her to use for her budgeting purpose. Erickson explained the difference between Munis and Polaris, being that Polaris is the software used by the library and Munis is the accounting used by the City of Sheboygan. Polaris is up to date and gives a better picture of what is spend on materials. DeAmico mentioned for the 2015 budget that there will be more consolidation of accounts to better control the spending and lessen the need to make line item transfers. DeAmico explained that the 850 funds were removed from the main budget and were moved to the 850 account, as well the expenses for programming, training and IT projects were moved from the main budget to the 850 budget. Erickson explained with moving the funds to the 850 budget, if MPL doesn't received the amount budgeted then the expenses will not be incurred, and only funds received will be spent. Amodeo explained to the committee that the 850 funds are like a special reserve account.

6. Review and possible action on payment of current expenditures, including payroll. Contract services were discussed whether to keep them or not. Erickson informed the committee that the outsourced cleaning service will be looked at, and will be addressed with the Human Resource committee when it meets in May 2014. Nelson **moved** to accept payment of current expenditures, including payroll and reoccurring expenditures, Carlson **seconded** the motion, the motion **carried**.

7. 2014 Budget was reviewed and all accounts are on track where they should be for the 1st Quarter 2014.

8. Review of Metrics. The personnel metrics was reviewed and is where it should be for the 1st Quarter 2014. Nelson did mention that the payroll expenses were up. DeAmico stated that there has been some cross training done, and the unemployment payments that were paid out in April were not budgeted for the 2014 budget, therefore the personnel expense is up slightly.

9: Future finance committee items to be addressed at May's 2014 meeting will be:

- a. 2015 Budget
- b. Discussion of potential changes to reports?
- c. Discussion of blanket PO's

10. Confirm committee report to Mead Public Library Board.

11. The date of the next meeting will May 22, 2014 @ 2:15 pm, or as needed.

12. Adjournment. Nelson **moved** to adjourn the meeting at 2:50 p.m. **Seconded** by Sampson. The motion **passed**. Zylman concluded the meeting at 2:50 pm.